```
05939
      IN THE CIRCUIT COURT OF SHELBY COUNTY, TENNESSEE
 1
        FOR THE THIRTIETH JUDICIAL DISTRICT AT MEMPHIS
 3
     BOBBY NEWCOMB,
 4
               Plaintiff,
 5
                                   Case No. 88913-8 T.D.
           - vs -
 6
 7
     R.J. REYNOLDS TOBACCO COMPANY, and
     THE BROWN AND WILLIAMSON TOBACCO
 8
      COMPANY, as successor by merger to
     THE AMERICAN TOBACCO COMPANY,
 9
               Defendants.
10
11
12
13
             Before: The Honorable D'Army Bailey
14
15
16
                  TRANSCRIPT OF PROCEEDINGS
17
                        March 24, 1999
18
19
                     (Afternoon Session)
20
                          Volume 38
21
22
23
                 ALPHA REPORTING CORPORATION
24
                        (901) 523-8974
                 SOUTHERN REGISTERED REPORTERS
                        (901) 526-2179
25
05940
1
     EDITH KARNEY, Individually, and
     On behalf of the Estate of
     JAMES WILEY KARNEY,
 3
              Plaintiffs,
 4
 5
          - vs -
                                  Case No. 89196-8 T.D.
 6
    PHILIP MORRIS, INC., and
 7
    PHILIP MORRIS COMPANIES, INC.,
 8
               Defendants.
 9
     RUBY SETTLE, Individually, and
10
     On behalf of the Estate of
     RAYMOND SETTLE,
11
               Plaintiffs,
12
                                   Case No. 89226-8 T.D.
          - vs -
13
14
    B.A.T. INDUSTRIES, PLC; BATUS HOLDINGS,
     INC.; BROWN & WILLIAMSON TOBACCO
15
     CORPORATION; BRITISH AMERICAN TOBACCO
     COMPANY, L.T.D.,
```

16			
17	Defendants.		
18	DENISE McDANIEL, Inc		
19	FLORENCE BRUCH,	E ESCACE OI	
20	Plaintiff	,	
21	- vs -	Case No. 90832-8 T.D.	
22		T HODA GGO	
23	BROWN AND WILLIAMSON TOBACCO CORPORATION, and PHILIP MORRIS, INC.,		
24	111221 110111120, 2110.		
25	Defendants.		
05941			
1	A P	PEARANCES	
2	FOR THE PLAINTIFFS:		
3 4	FOR THE PLAINTIFFS.	Curtis D. Johnson, Jr., Esq.	
-		JOHNSON & SETTLE	
5		67 Madison Avenue	
_		Suite 201	
6 7		Memphis, TN 38103 Florence M. Johnson, Esq.	
/		AGEE, ALLEN, GODWIN, MORRIS	
8		LAURENZI & HAMILTON	
		200 Jefferson Avenue	
9		Suite 1400	
10		Memphis, TN 38103	
10		Norwood S. Wilner, Esq.	
11		SPOHRER, WILNER, MAXWELL MACIEJEWSKI & STANFORD, PA	
12		444 East Duval Street Jacksonville, FL 32202	
13		·	
	FOR THE DEFENDANT		
14 15	R.J. REYNOLDS:	Albert C. Herrer Egg	
15		Albert C. Harvey, Esq. THOMASON, HENDRIX, HARVEY,	
16		JOHNSON & MITCHELL, PLLC 2900 One Commerce Square	
17		Memphis, TN 38103	
18		Gregory R. Hanthorn, Esq.	
19		James R. Johnson, Esq. JONES, DAY, REAVIS & POGUE	
20		3500 One Peachtree Center 303 Peachtree Street	
21		Atlanta, GA 30308-3242	
22			
23			
24			
25 05942			
1	FOR THE DEFENDANT		
	PHILIP MORRIS:	Samuel E. Klein, Esq.	
2		DECHERT PRICE & RHOADS 4000 Bell Atlantic Tower	
3		1717 Arch Street Philadelphia, PA 19103-2793	
4		IIIIIuucipiiu, FA 17103-2773	

```
David K. Hardy, Esq.
 5
                          SHOOK, HARDY & BACON
                          1200 Main Street
 6
                          Kansas City, MO 64104
                          Leo Bearman, Jr., Esq.
 7
                          BAKER, DONALSON, BEARMAN
                          & CALDWELL
 8
                           165 Madison Avenue
                           Suite 2000
 9
                          Memphis, TN 38103
10
      FOR THE DEFENDANT
      BROWN AND WILLIAMSON:
11
12
                          Lee J. Chase, III, Esq.
                           GLANKLER BROWN, PLLC
13
                           1700 One Commerce Square
                          Memphis, TN 38103
14
                          Charles S. Cassis, Esq.
15
                          BROWN, TODD & HEYBURN, PLLC
                           400 West Market Street
16
                           32nd Floor
                          Louisville, KY 40202-3363
17
                          Gordon Smith, Esq.
18
                          KING & SPALDING
                          191 Peachtree Street
                          Atlanta, GA 30303-17631
19
20
      COURT REPORTER:
                          LORI-ANN MASON, RPR
                          Southern Registered Reporters
21
2.2
23
24
2.5
05943
1
                      (At 2:07 p.m., on the 24th day of
      March, 1999, Court met, pursuant to adjournment,
 2
      when and where the following proceedings occurred,
 3
 4
      to wit:)
 5
                (Out of the presence of the jury.)
 6
                THE COURT: All right, lawyers. Are we
 7
      ready for the jury?
                MR. WILNER: Yes, Your Honor.
 8
9
                MR. JAMES JOHNSON: Yes, Your Honor.
10
                (Whereupon, the jury was seated in the
11
      jury box.)
12
                THE COURT: Thank you, ladies and
13
      gentlemen.
14
                And I understand Ms. Block has a birthday
15
      today, so happy birthday.
16
                All right. We're ready to have the
17
      cross-examination, and we'll call on Mr. Wilner.
18
                MR. WILNER: Thank you, Your Honor.
19
                ( Next page, please.)
20
21
22
23
24
25
05944
1
                        DAVID TOWNSEND,
```

2 having been previously duly sworn by the Clerk to 3 tell the truth, the whole truth and nothing but the truth, returned to the witness stand and testified 4 5 as follows: 6 CROSS-EXAMINATION 7 BY MR. WILNER: Q. Dr. Townsend, you know who I am? 8 9 Yes, I do. Α. Q. We've met before? 10 A. We have. 11 12 Q. We've even met before in the context of a 13 lawsuit, have we not? 14 Α. Yes. 15 And will you understand, sir, that if I 16 challenge your opinions and beliefs, I'm not 17 necessarily challenging your person or your personality? 18 19 A. I understand. 20 Q. When we met in the hall again and I shook 21 hands with you yesterday, I detected a faint odor 22 of cigarettes on your person. Are you still 23 smoking? A. 24 I smoke cigarettes, yes. What kind do you smoke? R.J. Reynolds 25 05945 1 brand, I hope? 2 A. I generally smoke Salem Ultra Lights. Q. How many a day do you go through? 3 A. It varies considerably. I would say typically a pack, pack and a half. There are times 4 5 6 on the weekends I hardly ever smoke. 7 Q. Is there a policy about cigarette smoking 8 inside of R.J. Reynolds? A. No. Of course not. 9 Q. So you can -- you know, you can sit in 10 11 one of these scientific meetings that you have and everybody's lighting up? Is that the way it works? 12 13 Those people who choose to smoke within 14 Reynolds can smoke in most areas. Now, there are 15 places in the laboratory where you can't obviously 16 because of contamination issues or fire hazards or 17 for a number of reasons. Quite a few people at 18 Reynolds don't smoke. Q. What do they do when they sit there in 19 20 these meetings and everybody else is smoking and 21 blowing the smoke all around? 22 I'm sorry. I don't understand your Α. 23 question. Q. Well, I mean, do they have any right to 24 25 say, "Wait a minute, you know, this is terrible"? 05946 1 "I can't stand it"? 2 A. I'm sorry. I still don't understand your 3 question. 4 Q. Does Reynolds have a policy to protect 5 the people who don't smoke from the effect of 6 everybody else's smoke? 7 A. The people that work at Reynolds who 8 choose to smoke can smoke in most places except for 9 certain laboratories. Those people who choose not to smoke make their own choice. We have 10 11 ventilation systems in our rooms, if that's what 12 your question is about, to try to minimize the

13 annoyance of cigarette smoke. 14 I don't understand your question. I'm 15 16 Q. Well, I'm just trying to see what, you know, Reynolds -- We've been talking about Reynolds 17 18 and what kind of things they do there. And I'm just trying to figure out if they try and protect 19 20 the people at Reynolds who don't smoke from the 21 effect of the smoke generated by you? THE COURT: Excuse me. 22 23 MR. JAMES JOHNSON: Objection, 24 Your Honor, relevance, and it's also been asked and 25 answered. 05947 THE COURT: Overruled. 1 2 BY MR. WILNER: Do they try and protect Q. 3 these people or not? 4 A. There are ventilation systems in 5 conference rooms to reduce the smoke levels, as 6 there are in a lot of smoking areas, for example, 7 in bars and other places. 8 Q. Does Reynolds have a position as to 9 whether the smoke that you smoke in front of 10 somebody else and blow smoke at them, whether that 11 is a health risk to those people? 12 A. Well, I think there's been considerable 13 amount of discussion in the scientific literature about whether or not sidestream or environmental 14 tobacco smoke is a risk for others. 15 16 I do know that there was an EPA 17 report -- I'm not an epidemiologist, but I understand that EPA report concluded that cigarette 18 19 smoking was a risk. I also do know that there was a federal court that overturned that EPA report. 20 Q. Oh, the Courts overturned it. I guess I 2.1 22 didn't ask my question well enough. I'll try 23 24 Reynolds, who you work for, what's their 25 position? 05948 1 A. On environmental tobacco smoke exposure? 2 Q. Well, you call it environmental. I just call it blowing smoke in somebody's face. What's 3 4 their position? 5 A. Epidemiologists, scientists at 6 R.J. Reynolds, statisticians have looked at the 7 available evidence on environmental tobacco smoke 8 and have concluded that the evidence is not there 9 that environmental tobacco smoke is a risk. It's 10 clear that mainstream smoke, that is, active 11 smoking is a clear and strong risk. 12 Q. So I'm going to move on to what you call 13 mainstream smoke or active smoke in a minute. But 14 I just want to make sure I heard you completely. 15 Reynolds's position now is that it's basically 16 okay, it doesn't hurt you, you can blow all the 17 smoke you want in somebody else's face, right? 18 A. I don't think that's a fair 19 characterization of what I said. What I said was 20 there are statisticians that look very carefully at 21 the epidemiology of environmental tobacco smoke 22 exposure and have concluded that the evidence is 23 not there, that ETS or environmental tobacco smoke

```
24
      exposure is a risk for disease. That's consistent
25
      with the overturning of the EPA report actually.
05949
1
          Q. Would it be fair to say that if you don't
      like smoking you shouldn't work at Reynolds?
2
3
          A. Well, I don't know what you mean by
      that. I've already said there are a number of
4
 5
      people at Reynolds who don't smoke.
          Q. Is it Reynolds -- now Reynolds' position
 6
7
      that cigarette smoking is a risk for lung cancer?
          A. Well, Mr. Wilner, I think it's been
8
9
      Reynolds' clear position for a long time based on
      the epidemiology that cigarette smoking is a risk
10
      for lung cancer and for other diseases.
11
          Q. Well, is --
12
13
          Α.
               That's been in existence for a long time
14
     because the epidemiology which began to come
15
      together in the early 50s, as it mounted, it became
16
      very clear that cigarette smoking is a risk.
17
          Q. Well, why did Reynolds take the public
18
      position that cigarette smoking was a risk for lung
19
      cancer?
20
          A. Are you talking about when was the first
21
     time? I don't know the answer to that. But the
      clear evidence -- The epidemiology is strong.
22
23
      Cigarette smoking is a risk for lung cancer and for
      other diseases. Our company has not disputed the
24
      epidemiology that I've seen.
25
05950
1
          Q.
               That you've seen?
2
          A. That's right.
3
          Q. So you've looked at what public
4
      statements have been made by the company?
          A. Well, I've looked at some public
5
      statements. I'm certainly not an expert in that
6
7
      area.
8
          Q. You know who the Tobacco Institute is,
9
     right?
10
          A. I'm aware of some parts of the Tobacco
11
      Institute, yes.
12
          Q. You're aware of some parts of it?
          A. Yes.
13
              Well, you know it's an organization that
14
15
      all the U.S. cigarette companies got together to do
16
      their public relations? Don't you know that?
17
          A. The Tobacco Institute has provided
18
      several functions, including public relations.
19
          Q. Okay. And you know they've
20
      given -- they've made all sorts of public
21
      statements about whether cigarette smoking is
22
      hazardous, right?
23
           A. Tobacco Institute has made a number of
24
      public statements. I couldn't sit here and catalog
25
      the statements they've made.
05951
              Okay. And do you take the position that
1
      Reynolds was not part of the Tobacco Institute?
 2
          A. We've supported the Tobacco Institute.
 3
 4
              Do you have anything that the Tobacco
 5
      Institute has said that you're willing to get up
```

A. I'm not sure I understand that question,

Mr. Wilner. What are you talking about

6

7

8

here and renounce?

```
9
      specifically?
10
                THE COURT: Excuse me, Doctor. It might
11
      help if you pull that mike forward there.
12
                THE WITNESS: Sorry, Your Honor.
13
                I'm sorry. I don't understand your
14
      question. Can you be specific?
           Q. BY MR. WILNER: Well, you know, you're
15
16
      talking about what the public position of Reynolds
17
      and the Tobacco Institute has been. Is there
18
      anything now that you, sitting up here today, want
19
      to say, "That's no longer our position, we renounce
20
      that, we don't agree with it," something the
      Tobacco Institute has said?
21
22
                THE COURT: Just a minute, please.
23
                MR. JAMES JOHNSON: Objection,
24
      Your Honor. I believe that's an unfair question,
25
      asking this witness to keep in mind every position,
05952
      known or unknown, that the tobacco industry or the
1
2
      Tobacco Institute has made.
                THE COURT: Overruled.
 3
               BY MR. WILNER: How about it?
 4
 5
           Α.
                I'm sorry. Can you ask the question,
      please?
 6
 7
          Q. Do you want to take anything back that
8
      the Tobacco Institute said?
                THE COURT: I might say in overruling,
9
      I'm obviously talking only about what he's aware
10
      of. So if he's not aware, then it doesn't cover
11
12
13
                MR. JAMES JOHNSON: Yes, sir.
                THE WITNESS: Well, Mr. Wilner, I've
14
15
      already said that I'm not a -- you know, I'm not
      familiar with everything that's ever been said by
16
      my company, even more so by the Tobacco Institute.
17
18
      \ensuremath{\mbox{I'm}} a scientist. \ensuremath{\mbox{I'm}} a chemist. And \ensuremath{\mbox{I}} certainly
19
      don't go out and read everything that's ever been
      said in the history of the tobacco industry. So I
20
21
      can't answer your question.
22
               BY MR. WILNER: Well, all right. Let me
23
      just give you some examples.
24
               MR. WILNER: Counsel, I'll being asking
25
      questions from our volume entitled "Public
05953
1
      Statements" that you have a copy of.
2
               MR. JAMES JOHNSON: Do you have an
3
      exhibit number for that?
 4
                MR. WILNER: It's Tab 28.
 5
                MR. JAMES JOHNSON: Is it in evidence?
                MR. WILNER: I don't want to correspond
 6
 7
      with you anymore, but it's an exhibit we'll be
8
      showing the witness.
9
                MR. JAMES JOHNSON: Your Honor, I object
10
      to the display of any documents that are not
11
      exhibits in the case.
12
                MR. WILNER: Okay.
                THE COURT: Well, I think that's a fair
13
14
      objection, and I think that's among the rules of
15
      the game that we're playing by, so anything that's
16
      shown should be an exhibit.
                MR. WILNER: We're not going to show it
17
18
      to the jury until he looks at it, Your Honor.
19
                May I approach to get or ask the sheriff,
```

```
20
     please, to hand this -- That was our intent, of
21
    course.
22
         Q. BY MR. WILNER: All right, sir. I would
23
      ask you to turn to Tab 28.
          A. Okay. I'm there.
24
25
          Q. And I ask you if you recognize this
05954
1
      document, which is "Where the Tobacco Industry
      Stands, " by Earle Clements, president of the
2
3
      Tobacco Institute, dated 1967?
          A. I don't remember ever seeing this, no.
4
 5
           Q. Okay. Well, when you were talking about
     what Reynolds has said over the years or their
 6
 7
     public position, does it include the last
     paragraph? You go ahead and read it, just read it
8
9
     to yourself.
10
          A. You want me to read the last paragraph?
11
          Q. Read it to yourself. Since Counsel
12
      objects to this, read it to yourself.
13
               MR. JAMES JOHNSON: Objection,
14
      Your Honor, to the characterization.
               THE COURT: Sustained.
15
16
               THE WITNESS: You want me to read the
17
      last paragraph on the first page or the last
18
      paragraph on the document?
19
               MR. WILNER: The first thing I'll do,
      Your Honor, is offer it. That will make it a lot
20
21
      easier.
22
               MR. JAMES JOHNSON: I object,
23
      Your Honor. There's been no foundation for the
24
      document.
               MR. WILNER: Well, we haven't had a
25
05955
1
      chance to offer the foundation. May I offer it?
               THE COURT: Well, let me see the
2
3
      document.
 4
               Yes, you may offer foundation.
               BY MR. WILNER: Do you see on that
5
          Q.
      document "Produced by RJRTC"?
 6
 7
          A. Yes, I do.
8
          Q. Who is RJRTC?
9
          A. R.J. Reynolds Tobacco Company.
              The company you work for?
10
           Q.
              Yes.
11
          Α.
12
          Q.
               And it says, "Produced in Carbonick
13
      (phonetic)." Do you see that?
14
          A. That's correct.
15
           Q. That's a case you worked on, isn't it?
          A. That's a case I testified in, the same as
16
17
      I've testified here today.
18
          Q. Okay. And you see the picture of Earle
19
     Clements, president of the Tobacco Institute?
          A. I see that.
20
21
          Q. And Reynolds was a member of the Tobacco
22
      Institute on that year, right, 1967?
23
          A. My best guess would be yes.
              And Reynolds has never publicly denied
24
25
      this statement to your knowledge?
05956
1
          A. This statement being which specifically?
 2
          Q. The statement where it says where the
 3
      tobacco industry stands, the one you've got in your
 4
      hands?
```

```
5
               I'm sorry. That's not specific. What
 6
      are you talking about?
7
          Q. Any of it.
8
               THE COURT: Well, I think we're talking
      about two different things now, the foundation
9
      versus whatever the use that's intended to be made
10
      of the statement. So let's deal with the first
11
12
      one. We issued the exhibit, and the Court will
13
      admit the document and have it marked, so let's
14
      take care of that business first.
15
               MR. WILNER: Thank you, Your Honor. We
      offer it.
16
17
               MR. JAMES JOHNSON: We object. This
18
      witness has said he's never seen the document
19
      before, Your Honor.
20
               THE COURT: Well, that's only -- We're
21
      only talking now as to the foundation of the
22
      document itself. Now, I don't know what inquiry he
23
      intends to make of the witness with respect to the
24
      documents. You can, of course, make the
25
      appropriate objection, depending upon what the
05957
1
      questions are.
2
               MR. JAMES JOHNSON: Yes, sir.
3
               MR. WILNER: May we have it marked?
4
               THE COURT: Yes.
5
               (Whereupon, Exhibit Number 263 was marked
6
      for identification.)
7
              BY MR. WILNER: So let me ask you, then,
8
      about the last paragraph on page 1, beginning, "The
9
      theory." This is 1967.
10
               MR. WILNER: First, if we could show,
11
      Jenny, the picture of Mr. Clements.
12
         Q. BY MR. WILNER: Do you know who
13
      Earle Clements was?
14
          A. No, I don't. Never met him.
15
               You don't recognize him? Never talked to
16
     him?
17
          Α.
              No.
18
              Let's go to the last paragraph here, and
19
     blow it up.
20
                "The theory about smoking."
                "The theory about smoking is still
21
22
      largely based on statistical association studies
23
      which are subject to question. Extensive clinical
24
      and laboratory research over the past several or
25
      dozen years has failed to provide a sufficient
05958
1
     basis to show a cause-and-effect role for
2
      smoking." Was that Reynolds' position in 1967?
          A. I really don't know what Reynolds'
 3
4
     position was on smoking and health and causation in
5
     1967. I do know that R.J. Reynolds'
 6
      scientists -- and we've covered some of this
7
     yesterday and today -- have clearly understood that
8
     cigarette smoking is a risk for a number of
      diseases, and we've acted on that in the laboratory
9
10
     through cigarette design.
          Q. That's fine. Now, I'm asking you what
11
12
      they've been telling the public. You understand
13
      that. That's what I'm asking you. So let me go
14
15
               Was that Reynolds' position today? Or
```

16 has it changed? 17 A. Well, let me break this down, and I think 18 that will answer your question very directly. The 19 statistical association to me means the epidemiology. That's clear. The epidemiology is 20 21 strong that cigarette smoking is a risk. I think 22 there are some missing pieces to fully establish 23 causation. So I think there's some truth to that. 24 R.J. Reynolds' position clearly is 25 cigarette smoking is a strong risk. It may cause 05959 cancer. It may contribute, along with other risks, 1 to causing cancer. And that's, frankly, what I 2 3 personally believe after looking at the information 4 I've seen. 5 "Laboratory research over the past dozen Q. years has failed to provide a sufficient scientific 6 7 basis to show a cause-and-effect role for 8 smoking." Is that true today? Or have changes 9 changed --In a very strict scientific point of 10 Α. 11 view, from that point of view there are two things missing that classically establish causation. One 12 13 is an animal model. Inhalation experiments with 14 animals have yet to reproducibly cause lung 15 tumors. Also scientists don't understand or don't know a mechanism of how cigarette smoking can cause 16 17 that disease, could cause that disease. It's irrefutable, however, that cigarette smoking is a 18 19 risk. What that means to me -- and I'm not a 20 biological scientist. I'm not a statistician or 21 epidemiologist. What that means to me is that 22 cigarette smokers as a group have a higher incidence of lung cancer than certain other 23 diseases. There's no question about it. Exactly 24 25 why that's the case is unknown. But most people in 05960 1 the public health community have concluded that cigarette smoking in fact causes those diseases. 2 3 And what I just told you is, I believe, personally, 4 that it may. It may cause --That it may? 5 Q. That cigarette smoking may cause those 6 Α. diseases. Or it may even contribute, along with 7 8 other risks, to causing cancer and other diseases. 9 Q. So are you in doubt? A. In doubt about what, sir? 10 11 Q. About whether or not it causes cancer? 12 I think I've just answered your question. I told you what I believe about whether 13 14 cigarette smoking causes cancer. 15 Q. Well, answer my question if you could. 16 Are you in doubt about whether cigarette smoking 17 causes cancer because I couldn't follow your 18 answer? 19 THE COURT: Excuse me. 20 MR. JAMES JOHNSON: Objection. Asked and 21 answered twice already. 22 THE COURT: Overruled. 23 Q. BY MR. WILNER: Are you in doubt? A. Well, I think I made my answer very clear 24 25 in the previous answer. 05961

Q. Well --1 A. And let me finish. 2 3 Q. Excuse me, sir. Can you answer my 4 question? 5 A. I am answering your question. Please let 6 me finish. 7 Cigarette smoking is a risk. There is no 8 question about it. And I've already said that cigarette smoking by itself may cause cancer. I 9 10 don't know for sure. I'm not a biological scientist. I do know that we don't know how cancer 11 12 is formed. I think science is getting very close to understanding that, particularly in the genetic 13 14 sciences. They're trying to understand how chronic 15 cancers like lung cancer and other cancers are 16 formed and the genetic basis for it. But I personally don't know whether it, cigarette smoking 17 18 by itself, in itself, causes cancer or whether it's 19 a combination of smoking and other risks together 20 in a contributory way may result in cancer. I just 21 don't know. But it may. 22 Q. All right. I want to represent to you 23 that Robert K. Heimann, the CEO of American Tobacco 24 Company, testified by deposition in this courtroom 25 in a deposition that was taken in 1986 that, "To 05962 the extent that we believe" -- speaking for the 1 American Tobacco Company -- "our products are not 2 injurious to health." Now, assuming that to be 3 4 testimony given in this case, you agree with that? 5 Would you say the same thing for Reynolds? "We believe our products are not injurious to health"? 6 7 Or would you not say that? 8 Α. I would not say that. 9 Q. Well, then, would Reynolds not have said 10 that in 1986? 11 A. I don't believe my company would say that 12 today. I don't know about 1986. 13 Q. Well, you were there? 14 A. I was there. 15 Q. So what's changed? Are you saying things have changed? You would have said it in 86 but not 16 17 now? 18 Α. I'm saying I don't know. Q. Don't know? 19 20 A. That's right. 21 Well, you've been involved in this since 22 1986. Have you had some kind of a revelation since 23 24 MR. JAMES JOHNSON: Objection, 25 Your Honor, argumentative and repetitious. 05963 1 THE COURT: Overruled. 2 THE WITNESS: I've been at R.J. Reynolds 3 since 1977. And I've seen -- What I've seen is 4 most people within R.J. Reynolds agree without 5 question, without question because the statistics 6 are strong that cigarette smoking is a risk, and 7 that cigarette smoking may cause those diseases. 8 That's what I've seen. 9 Q. BY MR. WILNER: So if Mr. Heimann had 10 come over to R.J. Reynolds and said, "Look, guys, 11 we believe we're taking the public position our

```
products are not injurious to health,"
12
13
      R.J. Reynolds would say, "No, I don't think you
      should do that, " right?
14
15
          A. I think that's exactly correct. I don't
     think my company would make that statement today as
16
17
      we sit here.
18
          Q. Now, let's talk a little more about
19
      causation. You've used the Surgeon General's
     reports in your direct testimony I don't know how
20
21
     many times, about six or ten times. You've talked
      about the Surgeon General of the United States;
22
23
     remember that?
24
         A. I referred to the Surgeon General several
25
      times, that's correct.
05964
1
               Okay. And, in fact, when you refer to
2
     the Surgeon General's report, there are many more
3
      than one Surgeon General reports over the years,
 4
 5
          A. Yes.
          Q. How many?
 6
 7
              Well, the first one was in 1964. There
          Α.
8
     has been one almost every year since.
9
          Q. You've got them all?
10
          A. I beg your pardon?
11
          Q. You have them all in your office, I hope?
12
          A. Not in my office, in my library.
          Q. So you can refer to them?
13
          A. That's entirely possible, yes.
14
          Q. Okay. And you do refer to them?
15
16
          A. Yes.
17
          Q. Okay. So you recognize, then, the 1964,
18
     which was the first one, right?
19
          A. The first Surgeon General report was
20
      issued in 1964.
21
          Q. Do you recognize this one? Actually this
      is not the same color as the original because we've
22
      had it photocopied. But you recognize it, right?
23
          A. From here my glasses don't work as well.
24
25
          Q. Smoking and health, report of the
05965
     Advisory Committee of the Surgeon General of the
1
      Public Health Service, U.S. Department of Health,
 2
     Education & Welfare, Public Health Service, same
 3
 4
     one, right?
5
          A. That's the same one.
 6
          Q. And you know how this one came about,
7
     don't you?
8
          Α.
              I don't know what you mean.
9
              Well, you know about the --
10
              Are you talking about the circumstances
          Α.
11
     behind it?
12
          Q. Well, let me see what you do know. You
      know that President Kennedy appointed the
13
14
      Surgeon General's Advisory Committee on Smoking and
15
     Health? You know that?
16
              No, I didn't.
           Α.
              No? You know that there were scientists
17
18
      picked to serve on this Advisory Committee of
19
      Smoking and Health from various scientific
      disciplines?
20
21
          A. I knew that.
22
          Q. Mostly physicians?
```

23 In general I would agree with that. 24 Q. Okay. And you know that they went around 25 in the two years or so leading up to the 05966 publication of this report and tried to get all of 1 the available published and unpublished literature 2 3 on the subject of smoking and disease? 4 A. I knew it involved extensive literature 5 compilations. 6 And I was going to ask you this in a Q. 7 second, but are you taking the position in your testimony that Reynolds has agreed with the 8 9 Surgeon General of the United States in the various 10 reports that have been published? 11 Oh, I think like any person or any report 12 or compilation of any kind of scientific information or otherwise, I think there is some 13 things that I personally tend to agree with. 14 15 There's some things I don't agree with. I think 16 that's normal. Q. Well, let's see if we can get to the 17 heart of the matter. 18 19 A. Okay. 20 We have another copy, or --Q. 21 Okay. So what I'm going to do is I'm 22 going to ask you first about a particular 23 conclusion in the report, and I'll read it to you 24 first. 25 Page 37, "Cigarette smoking is causally 05967 related to lung cancer in men. The magnitude of 1 the effect of cigarette smoking far outweighs all 2 3 other factors. The data for women, although less extensive, point in the same direction." 4 Now, that really is three statements. So 5 let me ask you, again, one at a time. One, you 6 7 agree or disagree to Reynolds' first proposition, 8 "Cigarette smoking is causally related to lung 9 cancer in men"? Just that statement. 10 A. I think most people have concluded that. 11 I believe it may. 12 Q. You believe it may, but you're not sure? I said I believe it may. 13 Α. 14 Q. Is that Reynolds' position or your own 15 position? 16 A. I would say that most people in Reynolds 17 have that position, many people. It is my personal 18 position. 19 Is that Reynolds' public position? Q. 20 Some people at Reynolds have made that Α. 21 statement publicly. 22 Q. The magnitude of the effect of cigarette 23 smoking far outweigh -- far outweighs all other 24 factors, true? 25 A. I don't know. I'm not an 05968 epidemiologist. I know cigarette smoking is a 1 strong risk factor. I believe it to be one of the 2 strongest. I don't know whether it far outweighs. 3 4 That's not my area. 5 Well, when you say that's not your area, 6 certainly you, as a cigarette designer, have got to 7 know what the hazards of the product are, don't

8 9 In a general sense, you're absolutely Α. 10 correct. And I know that cigarette smoking is a 11 risk for lung cancer, emphysema, cardiovascular disease. And I know there's various theories 12 13 around each one of those diseases about why cigarette smoking may cause those. I know that in 14 15 trying to go about cigarette design modifications 16 to try to address each of those theories to 17 reducing those constituents in smoking. 18 Q. Well, we'll get to the constituents. 19 What I want to do is see if I can pin you down on this point here. "The magnitude of the effect of 20 cigarette smoking far outweighs all other 21 factors." Now, let me ask you this: You mean, 22 23 from a cigarette design point of view, it doesn't matter to you whether it far outweighs all factors? 24 MR. JAMES JOHNSON: Objection. 2.5 05969 1 THE COURT: Sustained. Q. BY MR. WILNER: You said that you just 2 3 didn't know --4 Α. I said --5 -- that's true or not, right? 6 A. I said statistics, epidemiology is not my 7 area of expertise. I did tell you what I do know, 8 that it's a very strong risk, and I don't know whether it's the strongest or not. 9 Well, you testified earlier, you said 10 11 something about statistics and epidemiology. The 12 issue of the hazards of the product is not limited 13 to statistics in epidemiology, is it? 14 A. I'm not sure I understand that question. 15 Q. Well, the laboratory investigation on hazards -- There's been clinical observation on 16 17 hazards that it's not limited to epidemiology? Or 18 do you think it is? 19 Again, you're outside my area. I'm a cigarette designer. I don't understand your 20 21 question. 22 Okay. So the third part of this -- I'll 23 write down an "I don't know" for the second. there anybody at Reynolds who does, who knows 24 25 better than you? 05970 1 Oh, yeah. They have experts in the area 2 of smoking and health. We have experts in 3 statistics, people that follow epidemiology very clearly, people that understand the biology. 4 5 have scientists that are conducting basic research 6 in trying to understand the mechanisms behind the 7 disease. We have quite a lot. We have a lot of 8 experts. 9 Q. Do you have pulmonary doctors? 10 A. We don't have any pulmonary doctors, no. 11 The last one says, "The data for women, although less extensive, point in the same 12 13 direction." Do you accept that the effects of 14 cigarette smoking on lung cancer do not 15 discriminate between men and women? 16 Again, you're really outside my area. 17 guess logically or in my gut it would be hard for 18 me to imagine how cigarette smoking, if it caused

```
19 lung cancer, would discriminate.
```

- Q. Has Reynolds ever taken the position that women don't get lung cancer, and that's a -- from cigarettes -- and that's a reason that causation doesn't apply?
  - A. I've never seen that at all.
- Q. If they -- If Reynolds had said that, 05971

they would be wrong, wouldn't they?

- A. Again, I've never seen that at all. It would be hard for me to engage in a debate over that because I don't know.
- Q. Okay. All right. Well, then let's talk about something that maybe you do know. You've never said -- Or you've said that Reynolds accepts that cigarette smoking is a risk for lung cancer. Did I get that right?
- A. Yes, except you've implied that it now accepts it. I think it's clear in what I've seen in the research and development department documents is that we've understood that cigarette smoking is a risk for many, many years. That's why we've done the design modifications that we've done. That's why we've done research.
- Q. Oh, so you've seen it in research and development documents that are not public, right?
- A. I've seen in research documents the clear understanding that cigarette smoking is a strong risk. It goes back many, many, many years within R&D. And I think I made it clear -- at least I hope I made it clear in my direct testimony that the smoking and health issue -- The fact that cigarette smoking is a risk is why we've done what
- we've done. We've responded through cigarette design changes to try to reduce the risk to smoking.
- Q. And, honestly, I was just asking you whether you saw it in documents that are not public, and you got all the way over to what you've done. Can we stay with maybe what I asked?
- A. Well, but what you asked was implying that we only recently have decided that cigarette smoking is a risk, and that's not true. That's false
- Q. And I'm going to ask you about that. So what you're telling us, then, is in private, in your research documents you've admitted that it's a risk?
- A. It's clear in research documents that cigarette smoking is a risk, just like in the external literature. And, in fact, our internal understanding of the risks is a reflection of all of those epidemiological experiments that have been conducted over many years.
- Q. Now, if I walked into R.J. Reynolds and asked to see your research files and I didn't have a court order, what would you do with me?
- 25 A. I don't think we'd show you any files. 05973
- Q. So these research files that you're talking about, they're not anything that the public has had access to, right?

```
A. We have a lot of different types of
 4
 5
      documents. It's a highly proprietary -- Or it's a
      highly competitive industry.
 6
7
          Q. I hate to interrupt, but I'm just trying
      to get an answer. Does the public have access to
8
9
      them? That's all.
               THE COURT: Just a minute, please. Well,
10
11
      I think he's answered that question.
               MR. WILNER: Well, I don't know if he's
12
      answered or not, Your Honor, but if you say so.
13
14
              THE COURT: Well, he said if you didn't
15
      have a court order he wouldn't let you see them.
16
              MR. WILNER: I'm not the public, though.
17
      I guess I'm persona non grata.
          Q. BY MR. WILNER: All right. Public won't
18
19
      see them.
20
               MR. JAMES JOHNSON: Objection,
21
      Your Honor.
22
               THE COURT: All right. Well, let's do
23
      this: I'll let you ask the question one more
24
      time.
              BY MR. WILNER: Okay. I think we know
25
          Q.
05974
1
      the answer, and I won't even bother because I'll
2
      move on.
3
               All right. So let me -- All right. I'll
      come back. Now, but here's what I want to ask:
4
     You've said -- This is all I was doing was leading
5
      into this question. You've said that Reynolds
6
7
     acknowledges that cigarette smoking is a risk. And
8
      I'm going to ask you some questions to try to
9
      explore what Reynolds' position is on this. Okay?
10
      All right.
               Now, you'll agree with me, I hope, I
11
      guess, that not all risks are the same, right?
12
13
          A. I think that's fair.
          Q. Well, I mean, I could have a risk of
14
15
      being hit by lightning in broad daylight under a
      clear sky, and it could happen, right?
16
17
          A. It's entirely possible. I said I think
18
      the answer to your first question was it's fair.
19
          Q. But it's not the same as if I go lie down
      on Interstate-40 and try to go to sleep in the
20
      middle of the road. That's a big risk, right?
21
          A. I would consider that a real big risk.
22
2.3
          Q. All right. So not all risks are the same
24
      or should be treated the same, right?
25
         A. I don't know what you mean by "treated."
05975
1
     I think clearly there are different magnitude
2
     risks. That's exactly right.
3
          Q. Okay. So now I'm going to ask you how
4
      you measure the magnitude of risk of the product
 5
      that your company makes and sells?
 6
          A. Me personally?
 7
          Q. Well, start there.
              I don't because I'm not an
8
          A.
9
      epidemiologist.
          Q. Well --
10
11
          A. I'm a chemist.
12
          Q. You may be a chemist, but are you telling
13
      us now you don't have a clue as to what the
14
     magnitude of the risk is?
```

```
That's not fair. What I've already said
15
16
      is that the risk is strong. It's very strong. I
17
      know it's a high risk compared to the other risks.
18
              If you want to ask me about details of
      what the risk factors are, the magnitude of the
19
20
      risk factors, I don't know.
          Q. Well --
21
22
               I'm not a statistician.
          Α.
23
          Q. You would be -- Do you feel that
24
      it's -- that the magnitude of the risks of the
25
      product you design is not critical to the way that
05976
     it's designed?
1
2
          A. I'm not sure I understand that question.
3
      What do you mean "not critical to the way it's
4
      designed"?
5
          Q. Yeah. I mean, your knowledge of the
      amount of the hazard has got to be something that
6
7
      you take into account when you design the product.
8
     Am I wrong?
9
          A. As a cigarette designer, you are wrong.
10
      We've assumed that it's a very strong risk.
     There's no question about that. And to accomplish
11
12
      our job we look at the theories like the
13
      benzopyrene theory, and we reduced the levels of
14
      these compounds to try to reduce that risk.
          Q. Well, we'll get to the benzopyrene theory
15
      in a minute. But I'm just curious about this. You
16
17
      market a product called the Winston cigarette.
18
      Recognize it?
19
          A. We market Winston, yes.
20
          Q. Okay. So what I want to know is of the
21
     people who buy and use this product in the way that
      you intend them to use it regularly, they regularly
22
      use it, how many of the people, let's say, out of a
23
24
      hundred who use it will die prematurely of a
25
      disease caused by that product?
05977
1
               THE COURT: All right. Just a minute,
2
      please, sir.
3
               MR. JAMES JOHNSON: Your Honor. He's
4
      already said that he is not a statistician or
      epidemiologist, and so I object to the question.
5
 6
               THE COURT: Overruled.
7
          Q. BY MR. WILNER: How many?
8
          A. Mr. Wilner, you're asking the wrong
9
      witness. I don't know the answer to that.
10
          Q. Well, you certainly have the answer
11
      available to you, don't you, whether you choose to
12
      look at it or not?
13
               MR. JAMES JOHNSON: Objection,
      Your Honor.
14
15
               THE COURT: I sustain that objection.
16
               MR. WILNER: All right. Well, we'll see
17
      what we can do.
18
          Q. BY MR. WILNER: Let me hand you, then,
      Dr. Townsend, or let me first ask you whether you
19
20
      recognize it, the 1989 Surgeon General report?
21
          A. I have seen the 89 Surgeon General
22
      report.
23
      Q. Okay. I would like to hand it to the
24
      witness.
25
               Now, you talk all about -- Excuse me,
```

```
05978
1
    Doctor. You talked all about the Surgeon General
 2
      reports in your direct testimony. And I wonder,
 3
      did you include that one?
           A. I don't remember referring to the 89
 4
5
      Surgeon General report. I made several references
      to others, however.
 6
7
          Q. Well, the 89 Surgeon General report
      is -- was a compilation of the knowledge available
8
9
      to the scientific and medical community on smoking
      and health issues as of the time of its acceptance
10
11
      by the secretary of health and human services,
12
      Otis R. Bowen, M.D., stamped December 29th, 1988?
13
                MR. JAMES JOHNSON: Objection --
14
           Q.
                BY MR. WILNER: Do you agree?
               MR. JAMES JOHNSON: -- to the testimony
15
     by Counsel, Your Honor.
16
17
               THE COURT: What about the lengthy
18
      question and -- in terms of the title of the
19
      document, so I sustain the objection.
20
               MR. WILNER: I will, Your Honor, just say
      it wasn't about the title anymore. We're trying to
21
22
      establish what it is.
23
          Q. BY MR. WILNER: You know what the 1989
24
      Surgeon General report is all about, don't you?
25
          A. In a general sense, yes.
05979
              Okay. Are you saying that you are
1
2
      unfamiliar with the 1989 Surgeon General report?
 3
           A. No. I'm not saying that at all.
 4
           Q. Okay.
5
               I've read -- I've read portions of many
           Α.
 6
      Surgeon General's reports. I'm not sure that I've
7
     read an entire one completely all the way through.
8
           Q.
               Okay.
9
               Because many of the subjects that are in
           Α.
10
      here are biology and epidemiology which are areas
11
      that I don't understand.
12
          Q. You don't understand biology and
13
      epidemiology?
14
          A. I'm not an expert in the areas. I'm a
15
      chemist.
               Well, we'll get to that in a minute.
16
          Q.
17
                Would you turn to the first -- the
18
      transmittal letter from the secretary of health and
19
     human services, Otis R. Bowen, dated December
      28th -- 29th, 1988, the first part of the book?
20
21
           A. I see it.
22
              And does it say, "It's my pleasure to
23
      transmit to Congress the 1989 Surgeon General's
24
      report on the health consequences"?
25
               THE COURT: Just a minute, please.
05980
1
                MR. JAMES JOHNSON: Your Honor, I object
2
      to reading from documents which are not in
3
      evidence.
 4
               THE COURT: I agree. I sustain it. If
     you want to read what it is and what they're saying
 5
      in the introduction, then I think it needs to be in
 6
 7
      evidence.
 8
               MR. WILNER: We're putting in a
 9
      foundation, Your Honor.
10
               THE COURT: Well, I think that's too much
```

```
information before we get to foundation.
11
12
              MR. WILNER: But this is a foundation,
13
     Your Honor. It's mandated by Section 8(a) of the
14
     public --
               THE COURT: He has it to read. You don't
15
16
     have to read it. He's got the document in front of
      him. You're just asking the foundation questions.
17
               MR. WILNER: All right.
18
               BY MR. WILNER: Dr. Townsend, do you see
19
           Q.
20
     where this document was transmitted to Congress and
21
      mandated by Section 8(a) of the Public Health
      Cigarette Smoking Act of 1969?
22
23
               I see where it refers to that.
               MR. WILNER: Okay. And we offer it,
24
      public records and reports. And, furthermore,
25
05981
1
     furthermore, we state that since they used the
2
      Surgeon General's report constantly in their direct
3
      testimony they've waived any objection they
4
      possibly could have.
5
               THE COURT: All right. I understand
6
      that. There's no need to argue it.
 7
               MR. JAMES JOHNSON: Your Honor, I object
8
      to the characterization that we constantly used the
9
      Surgeon General's report.
10
               THE COURT: Why don't you approach the
11
      bench.
               MR. JAMES JOHNSON: And that we --
12
13
               THE COURT: Approach the bench.
14
               MR. JAMES JOHNSON: I'm sorry,
15
      Your Honor. I didn't hear you.
16
               (Whereupon, the following discussion took
17
      place at the bench.)
               THE COURT: I don't see why he can't
18
      introduce the Surgeon General's report. What's the
19
20
      objection to it?
               MR. JAMES JOHNSON: Your Honor, he can't
21
      introduce the letter that goes in front of that
22
      report because that is not a --
23
24
               MR. WILNER: I don't care about the
25
      letter.
05982
               THE COURT: All right. Well, he says
1
2
      he's not trying to --
3
               MR. WILNER: That was just a
4
      foundation --
               THE COURT: Just a minute, please, sir.
5
 6
               MR. WILNER: Sorry.
7
               THE COURT: So then you -- So he wants to
8
      introduce the report but not the letter.
               MR. JAMES JOHNSON: I don't think that
9
10
      the entire -- it's appropriate to just dump into
11
      the record the entire Surgeon General's report. We
12
      use --
13
               MR. WILNER: I'm not trying to --
14
               THE COURT: Just a minute.
               MR. WILNER: I'm not trying to.
15
               THE COURT: Let Mr. Johnson --
16
17
               MR. WILNER: I'm sorry, sir.
18
                THE COURT: Just a minute.
19
               MR. JAMES JOHNSON: We did use selective
20
      portions from some Surgeon Generals' reports. But
21
      we certainly didn't try to dump into the record the
```

```
22
      entire Surgeon General's report.
23
         THE COURT: All right. Let me hear from
24
     Mr. Wilner.
25
               MR. WILNER: I'm not trying to do that.
05983
      I've got to start somewhere. When I started to
1
2
      read, he said it wasn't in evidence. So I'm not
3
      trying the whole thing.
 4
               THE COURT: All right. Do you know what
5
      particular portions you want to introduce?
               MR. WILNER: Well, it depends on what he
 6
7
      says, but I've got 10 or 12 --
8
               THE COURT: There's no sense in going
      through this game. Maybe he's going to agree. I
9
10
      mean, let's just find out what you want to
11
      introduce, and maybe we can revolve it here.
               MR. WILNER: All right. I don't want to
12
13
      be bound by stating it in advance. I want to start
14
      with one and see how I go.
15
               THE COURT: But that's where we started
      out. You said you were going to introduce the
16
17
      whole report.
               MR. WILNER: No. No. But I've got the
18
19
     page. He wants to know the page.
               THE COURT: Well, he wants to know
20
21
    specifically what you want to introduce into
      evidence. That's right. It's not the report. And
22
      presumably it's some part of the report. If it's a
23
      part of the report, what part?
24
25
               MR. WILNER: Let me get it.
05984
1
               I can't swear that that's everything, but
2
      that's what I would start with.
               MR. JAMES JOHNSON: Your Honor, the only
3
     portions that I have an objection to are the tables
4
     which appear, Tables 4, 5 and 6. This is a lung
5
      cancer case. These are lung cancer cases. And
 6
      these are relative risks for a whole lot of other
7
8
      diseases but not lung cancer.
9
               THE COURT: Let me just look at it.
10
               MR. JAMES JOHNSON: Yes, sir.
11
               THE COURT: Let me see the whole
12
      document.
               MR. JAMES JOHNSON: Yes, sir.
13
14
               THE COURT: Well, the witness has
15
      testified with regard to lung cancer and other
16
      diseases, so I overrule that part of the
17
      objection.
18
               Let's make sure that the reporter gets
19
      that to mark.
20
               MR. WILNER: I don't know if this is the
21
      best copy I have.
22
               MR. SMITH: This one's highlighted. I
23
      don't know if we should mark a highlighted one.
24
               MR. WILNER: I'll mark this. That's
25
      fine.
05985
1
               THE COURT: So we need a clean copy of
 2
      that to go into the record.
 3
               MR. WILNER: All right. I'll have a
 4
      clean copy substituted because there is some
 5
      highlighting.
 6
               THE COURT: Thank you.
```

7 (Whereupon, the bench conference is 8 concluded.) 9 Q. BY MR. WILNER: Before we ask you or I 10 ask you some questions about that 1989 report that you have in your hand, would you say -- I just want 11 12 to ask you some more about this question of design 13 and what you happen to know. 14 If you were designing a brake for a car, 15 would you have to know how well that brake had been 16 performing, how well the previous design had been 17 performing out in the real world before you start designing a new one? 18 I think --19 Α. 20 Sir? Q. 21 Α. Well --22 Q. Did you hear me? 2.3 I understand your question, I think. And 2.4 I think to the degree that we need to know what 25 constituents are in the cigarette smoke so we can 05986 1 know what the targets are to reduce to is a direct 2 analogy. 3 If you're asking do I have to know what 4 the magnitude of the risks are, I don't believe so 5 to do my job. And we've conducted our jobs very 6 effectively being chemists because we assume it's a 7 strong risk. And then we look at the theories. But if you're making the analogy of a 8 9 brake, where the brake's performance is now versus 10 the new brake's performance, that to me is strictly 11 analogous to chemistry levels or biological assay levels for the old product versus the new product. 12 13 Q. Well, the only -- What I picked up out of 14 that is you think you've done your job very 15 effectively? There's no doubt in my mind we've done 16 our job very effectively. We've addressed the 17 18 smoking and health issues directly. We've put a variety of products -- a broad range of products on 19 20 the market to directly address those health issues, 21 the tar and nicotine levels are dramatically down from 68 percent where they used to be. Yes, I 2.2 23 believe we've been very successful. 24 Q. All right. 25 Α. Do I think there's additional progress 05987 1 that needs to be made? Absolutely. And that's what we're doing. 3 Q. All right. Let's look at page 48. 4 if you still think so. Turn to page 48, please. 5 Okay. I'm there. Α. 6 Okay. And let me show it so I can ask Ο. 7 you about it. 8 All right. Now, what I've got in front 9 of me on page 48 of the 1989 Surgeon General report 10 is something called age-adjusted cancer death rates for selected sites, males, United States, 1930 to 11 12 Do you see that? 13 Α. Yes. 14 Q. Are you familiar with this chart? 15 I've seen something similar to this 16 before, not exactly this chart. 17 MR. WILNER: Okay. Well, since it's a

little bit hard to read here, I'm going to do my 18 19 best. 20 Jenny, would you slide it up a little for 21 just a second? Q. BY MR. WILNER: All right. Now, on the 22 23 bottom of this chart there is a year scale from 1930, 1940, 1950, 1960, 70, 80 and 90. Do you see 24 25 05988 1 Yes. Α. 2 Q. And then below that are some 3 different -- is like a legend. And a legend -- what I mean is they use one kind of line 4 5 for different kinds of cancer. And, like, esophagus cancer, that's a dash, dot, dot, dot, 6 7 dash, dot. And, like, lung, that's a solid line. And, like, pancreas, that's a bunch of little tiny 8 9 dots. Prostate cancer, well, that's a dash and 10 then a long dash and a short dash. Bladder cancer 11 and -- Well, I won't go through all of them right this second because I'm going to point them out. 12 13 Do you see that? 14 I see that chart. Α. 15 Q. All right. So, now, let's see if we can agree on what's here. If we look at this little 16 17 line here which is kind of dropping, that to me -- correct me if I'm wrong -- looks like cancer 18 of the pancreas, little dots. Right? Up, up, up, 19 up, down. And actually we have four or five of 20 21 them that are very similar and have not gone up or 22 down very much. And they look like 23 pancreas -- pancreas, bladder, dash, dot; esophagus, dash, dash; liver and maybe 24 25 leukemia. Do you agree? 05989 1 A. I didn't follow every one of those, but I 2 think in general there are some that appear to be a flat, and there are some that appear to be going 3 down a little bit. 4 5 Q. Then we have one here -- and slide it -- like is dropping. Slide it up a little. 6 7 Zoom way down. From 1930 to 1990 it went way down, and I believe that to be stomach cancer. Do you 8 9 agree? 10 Α. Yes. 11 And now we've got two of them that are Q. 12 kind of in the middle here. They started 13 out -- They went up a little, and then they've been -- Then they've been flat since then. And I 14 15 make those two out to be prostate, the bottom one, 16 and the top one colon. A. It is a bladder. 17 Q. Well, colon is a lot more common than 18 19 bladder, right? 20 A. I'm just looking at the shape of the 21 lines. Well, I don't mean to quibble because 22 either one will be okay. So do you agree with me 23 it's either colon or bladder? 24 25 I think that's reasonable. 05990 1 Q. And that this one, the bottom one here, 2 is prostate, and this is stomach?

3 I agree with that. 4 Q. I'm not trying to belabor that, and that's the way the legend was, and I didn't want to 5 6 do anything too fast. 7 Okay. Now, lung cancer is also on this 8 graph, isn't it? 9 A. Yes. 10 MR. WILNER: Jenny, would you slide it 11 down so we can see what happened to lung cancer? 12 I'm sorry. Move it back up for a second. 13 Q. BY MR. WILNER: Lung cancer started off 14 in 1930 to be, like, third from the bottom per 100,000. Now, this is not -- This is not just a 15 reflection of the number of people in the country. 16 17 This is per 100,000, correct? 18 A. It says, "Age-adjusted cancer death rates." 19 20 And it says "rate per 100,000" on the Ο. 21 top, doesn't it? 22 "Rate per 100,000, male population." 23 Q. Okay. So lung cancer started way down 24 here, way down there where there was hardly any in 25 1930, right? 05991 1 Α. In 1930 the number is lower than other years. 3 Q. Well, is that the best you can do with that? It was lower? There was hardly any. 4 Now, this is not my area. I can read off 5 6 this graph very well, thank you. 7 Q. Okay. 8 A. And what it says is I would estimate in 9 1930 to be five. 10 Q. Okay. A. The number five. 11 Q. And then we go up to about 19 --12 A. My eyes are giving up. 13 14 Q. About 1955 it's passing. Like a freight 15 train, it's passing everybody else. Do you see it? 16 A. In 1955 it appears to have passed the 17 other curves. 18 And this is when the cigarette industry Q. was getting together with Hill and Knowlton and 19 20 reassuring smokers that it was okay to smoke, true? 21 MR. JAMES JOHNSON: Objection, 22 Your Honor. 23 THE COURT: All right. Sustained. 24 Q. BY MR. WILNER: In 1955 it was passing other cancers. And then what happened to the lung 25 05992 1 cancer rate? Did it continue to go up through 19 -- from 1950 to 1960? 2 3 A. This chart shows the age-adjusted cancer 4 death rate for selected sites for males, lung 5 cancer continuing up. 6 And from 1960 to -- 1960 to 1970 steeply, 7 right? 8 This shows it still going up. Α. 9 Still going up. 10 Now, have you in your meetings at 11 R.J. Reynolds when these scientists get together, 12 do you put that on the wall? 13 A. We have experts who understand these

types of data very well because they live and 14 breathe it every day. In product development and 15 cigarette design, if you're suggesting we look at 16 17 that all the time, the answer is no. Well, so you have people who you can call 18 19 and ask them about this? 20 Α. Sure. Well, are you gonna when you get down and 21 Ο. 22 back to -- Where is the R.J. Reynolds plant? It's 23 called Tobaccoville, isn't it? 24 THE COURT: All right. Objection 25 sustained. This has nothing to do with the issues 05993 1 in this lawsuit. MR. WILNER: All right. 2 3 Q. BY MR. WILNER: So, Dr. Townsend, Reynolds, your company, makes, what, about 4 5 one-quarter of the cigarettes consumed in the 6 United States? 7 A. Between -- Yeah. About a quarter. Q. How much of the -- How many of these 8 deaths does Reynolds take responsibility for? 9 10 A. I don't know. I'm not a statistician. 11 I'm not an epidemiologist. This is way outside of 12 my field. 13 All right, sir. Let's look at women just briefly. Page 47. What's been the experience with 14 women and lung cancer? 15 A. The solid line in this table goes up 16 17 slowly up to about 1960 and then goes up more 18 steeply from 1960 to 1985. 19 Q. Where the data ends in this particular 20 series, right? A. Well, this table ends -- apparently ends 21 22 there, sure. 23 Q. And did lung cancer surpass breast cancer 24 as the number one cause of cancer death in females 25 in or about 1984? 05994 1 A. It appears to become equivalent from this 2 table. 3 Q. And since 1984 has it passed? I don't know. This table ends at 1984. 4 Α. But you have access to information, I 5 Q. 6 thought, beyond this? 7 A. We have experts at R.J. Reynolds. I made 8 that very clear. 9 Q. Were the people -- the women who died and 10 became part of this graph smoking the products that 11 you've been talking about that you reduced the tar 12 13 I don't know. Nowhere on this chart do I Α. 14 see that this is a chart of smokers only. This is 15 age-adjusted cancer death rates per females. 16 Nowhere do I see that it's broken out to be smokers 17 only. So you'll wait until the next chart. 18 Q. Okay. That's fine. 19 20 A. I don't think that's fair at all. 21 Q. All right. Well, we'll look at the smokers versus the nonsmokers. Let's look at 22 23 page 49. 24 A. Okay.

05995 bottom one. Okay. Is this the age standardized 1 death rates per 100,000 women? A. You read that right. 3 4 Yeah. And, now, this is just like the other chart, only it's what you asked. It's a 5 6 breakdown between smokers and nonsmokers, right? 7 A. It appears to be, yes. 8 MR. WILNER: Your Honor, do you want me 9 to wait or go ahead? 10 THE COURT: I apologize, Mr. Wilner. 11 MR. WILNER: No problem at all. Happy to 12 wait. No problem. 13 THE COURT: Go ahead. 14 MR. WILNER: Thank you, Your Honor. 15 BY MR. WILNER: Okay. Well, now, have 16 you seen this chart? 17 A. I've seen a chart similar to this. I 18 haven't seen this exact one. 19 Q. All right. In 1960 to 64, here was the 20 lung cancer rate among women smokers, and here was 21 the lung cancer rate among nonsmokers, right? 22 A. Right. 23 Q. By 1965-68 the lung cancer rate among 24 smokers had grown. The lung cancer rate among nonsmokers, not at all or immeasurable, between 25 05996 11.7 and 12.4. This one goes up from 23.9 to 36.5, 1 2 right? 3 That's what it appears to do. Α. Q. All right. And then 1969 to 72 the 4 5 smoking cancer rate is up to 54, but the nonsmoker rate is still 12.2, true? 6 7 A. That's what this chart suggests, 8 certainly. 9 Q. And then look what happens in 1982 to 86. Would that be a time, sir, where people will 10 have -- where women would have been using filtered 11 12 cigarettes manufactured by your company and, as you 13 put it, your competitors? 14 A. Are you asking would women smokers be 15 smoking filtered cigarettes --Q. Sure. 16 17 A. -- in 1982 to 1986? 18 Q. Sure. 19 A. I would say predominantly, yes. 20 Q. And, as you put it, the cigarettes with 21 less tar -- are these people who are dying of 22 cancer in this year also smoking those cigarettes? 23 A. In the year range between 82 to 86, I 24 would say in general the sales-weighted tar yield 25 average is lower than for that period of 69 to 72. 05997 1 So your tar is going down, and the deaths 2 are mounting; is that a fair statement? If these -- If the data in this table are 3 accurate, then this would suggest that the lung 4 5 cancer rate is going up among smoking women. We've 6 already talked about the tar going down, which I 7 think points exactly to why this is such a complex 8 9 Q. Well, let me direct your attention to the

Q. The bottom one. Let's start with the

```
10
      very top of the page and the sentence which says,
11
      "These data also dramatically illustrate the
12
      current lung cancer epidemic in women is confined
13
      to those who smoke cigarettes." Now, do you agree
14
      with that?
15
           A. I don't know. I'm not an expert in this
16
      area. I really don't know.
17
          Q. Well, would it make a difference to you
18
      if it were true in terms of what you're selling to
19
      these women?
          A. What makes a difference to me is reducing
20
21
      the risks of smoking, and we've taken the theories
      that the public health community has advanced and
22
23
      pursued those and actually implemented those in the
24
      marketplace. Does a chart like this help me do my
25
      job? No, because cigarette smoking is a strong
05998
1
     risk, and I know that. That's my job, is to reduce
     those risks.
3
               Well, I'll ask you whether you generate
      these theories or the public health community in a
4
5
               But what I'm asking is this: If you
 6
7
      found -- Now, you said if the data are valid. You
     made that kind of qualification just a minute ago,
8
9
      didn't you?
10
           A.
               I said something like that, yes.
           Q. So you're not sure if it's valid or not?
11
              Again, this is not my area. I can't
12
13
      critique. I don't know whether this is right or
14
      not. I see what you see in terms of the trends
15
     here in these charts. I don't understand what's
16
     behind these data because I haven't gone in, tried
      to understand the statistics and the way those
17
      statistical studies are done, the particular
18
19
      populations that were examined. I mean, I'm
20
      looking at it just as you are here. That's all.
               Well, let me ask you, is there any report
21
22
      that can come -- Remember I asked you about the
23
      brakes, you know, whether it would be good to see
24
      whether the design that you were working on has had
25
      a lot of accidents. Is there any report from the
05999
1
     real world in terms of human beings dying that
      makes a difference to you in your plans for
2
3
      designing a cigarette?
4
               THE COURT: Just a minute, please.
5
                MR. JAMES JOHNSON: Your Honor, this is
6
      cumulative. The same line of questions has been
7
      going on now for several minutes.
8
                THE COURT: Overruled.
9
               THE WITNESS: I'm sorry. Can you ask the
10
      question again?
11
               MR. WILNER: Yeah. I mean, Dr. Townsend,
12
      maybe I'm wrong, but you --
13
               THE COURT: Just ask the question.
               MR. WILNER: I'm sorry, Your Honor.
14
               BY MR. WILNER: Let me think exactly what
15
16
      I want to ask.
17
               Dr. Townsend, then is there no data like
18
      this that would concern you as a cigarette
19
20
          A. I'm not sure I understand. If you're
```

```
suggesting that these kind of data are unimportant
21
22
      to me as a human being, of course they are. You've
      been talking about what I need to do my job. And
23
24
      I've already told you what I need to do my job and
      the way we go about -- and my scientists that work
25
06000
      in my group in research and development need to go
1
 2
      about their job, and what we need is the tools, the
 3
      scientific tools, we need the support from our
      company and all of that and the assumption that
 4
 5
      cigarette smoking is a risk, and we believe that.
                THE COURT: Let's go ahead, Sheriff, and
 6
 7
      take a ten-minute break.
                (Whereupon, the jurors were excused from
 8
9
      the courtroom.)
10
                (Whereupon, a 25-minute recess was taken
11
      at 3:20 p.m.)
12 (Whereupon,
13 Exhibit Number 264 was marked
13
      for identification.)
                (Out of the presence of the jury.)
14
                THE COURT: Lawyers, are you ready for
15
16
      the jury?
17
                MR. JAMES JOHNSON: Yes, Your Honor.
                MR. WILNER: Yes, Your Honor.
18
19
                MR. SMITH: Your Honor, I'm sorry. One
      very brief matter. Earlier in the trial the Court
20
     made it clear that exhibits should be tendered one
21
      at a time and not in notebooks, and that notebooks
22
23
      with statements on them like "fraudulent public
24
      statements" should not be displayed in a way that
25
      the jury could see them.
06001
                I note that indeed Mr. Wilner handed the
1
      witness, not a single document, but a notebook. On
 2
      the cover it says "Fraudulent Public Statements of
 3
 4
      the Tobacco Companies," and I believe that that
      would be inconsistent with the Court's direction on
 5
 6
      how evidence was to be handled.
 7
                THE COURT: Let me see the --
 8
                MR. SMITH: It's right there. So far one
9
      page has been marked or at least a page or two.
               MR. WILNER: We don't care if the cover
10
11
      is scratched off. I don't care.
12
                THE COURT: Well, I think that's only one
13
      of the questions. And obviously you can black that
14
      out, and I would ask that you do.
15
                And then I think the next part of
16
      Mr. Smith's concern is that you find this
      particular one -- And I think that's a fair
17
18
      request, rather than just give the witness a
19
      voluminous set of documents and expect him to find
20
      it. I know that they did that somewhat in their
21
      direct examination. But there was -- I mean, in
22
      terms of, I guess, the different tabs there that
23
      they referred the witness to. But I presume that
24
      all of those were exhibits. I don't know if --
               MR. JAMES JOHNSON: All of those were
25
06002
1
      exhibits, Your Honor, admitted into evidence.
 2
                THE COURT: Yeah. So, Mr. Wilner, if we
 3
      need to break or reserve on this and give you
 4
      overnight to pick out the ones specifically that
```

```
5
      you want to present to the witness one at a
      time -- Yes, sir?
 6
 7
                MR. WILNER: I don't know in advance,
 8
      Your Honor. So if Counsel requires me, we'll have
      to break each one and go through that procedure.
9
      But I do not know in advance when I cross-examine
10
11
      the --
12
                THE COURT: Well, I think you can
13
      simplify it simply by examining it and handing it
14
      to Mr. Johnson or your assistant and then
15
      letting -- tell them what tab number and just let
      them hand you what tab number. I don't see it
16
17
      being that complicated, what he's asking.
                I'm kind of old-fashioned too. I always
18
19
      use formal titles to lawyers and even machine
20
      operators during the proceedings, so that would
      include the nice lady in the back, back there.
21
                MR. WILNER: Thank you, Your Honor.
2.2
23
                THE COURT: Can we go ahead and mark that
24
      cover heading off the front?
                MR. CURTIS JOHNSON: I assume if we're
25
06003
1
      just going to pull it out, there's no need to --
 2.
                THE COURT: Well, he's concerned, I
 3
      guess, that --
 4
               MR. CURTIS JOHNSON: We're not going to
 5
      display it. I mean --
               MR. HARDY: Well, actually, as long as
 6
      this has come up, I specifically asked during the
 7
 8
      testimony of Dr. Pollay to have those kinds of
9
      covers blacked out, and I thought the Court had
10
      ordered it.
11
                THE COURT: I did.
12
                MR. HARDY: We had a discussion about it.
                THE COURT: Why don't you just take a
13
      marker and mark out the title there, and we'll just
14
15
      move on. It's no big deal.
16
                All right. You all ready for the jury?
17
                MR. JAMES JOHNSON: Yes, Your Honor.
18
                MR. SMITH: Yes.
19
                (Whereupon, the jury was seated in the
20
      jury box.)
                THE COURT: Thank you, ladies and
21
22
      gentlemen.
23
               Mr. Wilner, you may continue.
2.4
                MR. WILNER: Thank you, Your Honor.
25
               BY MR. WILNER: Dr. Townsend, do you
06004
1
      still have the 1989 Surgeon General's report with
 2
      you up there?
 3
           A. Yes, I do.
 4
              Okay. I'll ask you some questions about
           Q.
 5
      that in just a minute.
 6
                You presented in your direct testimony
 7
      all about a new kind of a cigarette, a mechanical
8
      cigarette kind of called a Premier and an Eclipse?
               Well, I didn't call it a mechanical
9
10
      cigarette. I did call it a cigarette that heated
      tobacco but didn't burn tobacco.
11
12
           Q. And this has all sorts of kind of space
13
      shuttle technology in it?
14
           A. Well, it has new materials that are
15
      present in it, particularly some of the materials
```

```
that are in the carbon heat source. The glass
16
17
      insulator is a new material. The alumina pellets
     inside the aluminum capsule is a new material. And
18
19
     we did have to develop new machinery to assemble
     that in a high-speed manufacturing environment.
20
21
     Like --
22
               This is --
           Q.
23
              Excuse me. Like, the insertion of the
          Α.
24
      carbon into the capsule required us to work with a
25
      company like Bosch who we'd never worked with
06005
     before to try to develop high-speed equipment.
1
          Q. And this was never offered to any of the
2
3
     plaintiffs' decedents in this case, right? They
 4
     never had a chance to buy this thing?
5
          A. Well, I don't know. I did tell you that
     it was available in three markets, three test
 6
7
      markets: St. Louis, Tucson and Phoenix.
8
          Q. Beginning when?
9
          A. 1988.
          Q. And ended when?
10
          A. The test market concluded in 1989.Q. So one year in those three cities; other
11
12
13
      than that, no one could use it, right?
14
         A. Those were the test markets. Those were
15
      the dates. The successor to that is Eclipse, which
     is in the test market today.
16
          Q. Where?
17
               In Chattanooga; Lincoln, Nebraska; and
18
          Α.
19
     Atlanta, Georgia.
20
          Q. So if you don't live in those cities, you
21
      don't get these mechanical or whatever you call
22
      them cigarettes?
23
          A. These are test markets. My goal is to
     make sure those test markets are successful, that
24
25
     these are consumer acceptable products and, in
06006
    fact, to launch them nationally. That's our goal.
1
          Q. Now, are you tracking the people who use
2
3
      these things to see whether they get lung cancer?
          A. I don't know what you mean by tracking to
 4
 5
      see if they get lung cancer. These are chronic
     diseases that take a lifetime of exposures and
 6
 7
     experiences to develop.
          Q. Well --
8
9
               You know, we're offering this to smokers
10
     as an alternative to tobacco-burning cigarettes.
11
     This is a cleaner cigarette, reduced chemistry,
12
     reduced biology.
13
           Q. All my question was, you got people who
14
     you're going to start selling this thing to
     evidently, right, in Chattanooga, wherever, or
15
16
     Tucson, wherever. Are you at least writing down
17 their names so that you can tell, you know, in
18
    another 20 years whether they're going to get
19
     cancer or not and what rate? At least start?
20
           A. We keep some records of some smokers in
21
      the test market because we go back and ask them
22
      specific questions about the product and what their
23
      likes and dislikes are. So we do keep records of
24
      some of the names of people in the test market.
```

If you're suggesting in your question are

25

we doing a prospective epidemiology study to see if these smokers, in fact, get less lung cancer, the answer is no.

- Q. Why not?
- A. Because -- Well, I don't know. We've developed a cigarette that has reduced chemistry, reduced biology. There's every reason to think that's a step in the right direction. You know, I'm not aware that my company has considered doing a prospective epidemiological study.
- Q. Have you ever heard the saying, "The proof of the pudding is in the eating"? Do you know what that means?
- A. Well, I've heard a phrase similar to that. But I've never heard it exactly as you articulated it.
- Q. So the proof of whether this is safe is going to come when? 20 years down the line, if you ever sell it?
- A. See, that's exactly part of the problem. There's no way to prove that one cigarette is safer than another. Toxicology suggests certainly that less ought to be better. And that's the approach we've taken in all of our cigarette development work, our cigarette design work. Less ought to be
- 1 better.

1 2

- Q. Well, I'll ask you about the toxicology in a minute. But, first, I want to ask you as to the other, the regular cigarettes, the nonmechanical variety, the burning variety, your company has sold Winstons, Salems, various other brands for the last 50 years and made money on them, right?
  - A. That's correct.
- Q. In fact, while I'm at it, you said that it cost 800 million dollars to make a Premier?
- A. Approximately 800 million dollars we spent on the entire development and manufacturing scaleup.
  - Q. Right. For how many years?
- A. We started the Premier development in about 1981, thereabouts. We -- The test market began in 1988. It was a tremendous effort, tremendous scientific challenge.
- Q. All right. I'm just trying to get how many years this hundreds of millions of dollars got spent. From 81 to 88? Or from 81 to some other year?
- A. I said 81. And the test market started in 1988. We concluded the market in 89. So that 06009
- 1 was the termination of the Premier project, 89.
  - Q. Eight years then, right?
  - A. Okay.
  - Q. But if you count 81 and 89, that could have been nine years. So eight or nine years you spent eight or nine hundred million, right?
    - A. Okay. That's fair.
- 8 Q. Okay. So in order to put that in 9 prospective in terms of how much that represented 10 to the company, how much did Reynolds spend on 11 marketing and cigarettes during that time?

```
12
               I don't know. I haven't gone back and
13
      added that up.
14
          Q. Well, you have some idea of what Reynolds
15
      spends to market, don't you?
          A. Well, I think it varies considerably from
16
17
      year to year. I've seen numbers.
          Q. You've seen numbers. Okay. In general
18
19
      the cigarette industry spent in the last few years
      about 6 billion dollars a year to market, right?
20
21
          A. Over what time period are you talking?
22
          Q. In a year.
23
          A. In one year?
          Q. Yeah.
24
          A. Okay. I don't know that for sure.
25
06010
1
          Q. Well, Reynolds is, what, a quarter of the
      industry, roughly?
2
3
          A. We have a volume of approximately a
4
      quarter of the U.S. market.
          Q. So that would be -- If it were divided
5
      equally, it would be a billion and a quarter
6
7
      roughly Reynolds spends to market per year, right?
          A. I think that's just an approximation. I
8
9
      think that's an overapproximation, frankly.
10
          Q. What do you think it is, just a billion?
11
          A. Again, I think it varies from year to
      year. I think a billion and a quarter sounds high
12
      to me based on what I've seen.
13
          Q. Well, a billion is a thousand million,
14
15
     right?
16
          A. That's right.
17
          Q. So even if it's just a billion over eight
     years, that would be 8 billion dollars just from
18
19
     Reynolds just to promote sales, right?
          A. If the marketing expense -- If the
20
21
      marketing expense were a billion a year, over
22
      8 billion is -- my calculation would be 8 billion,
23
      if that were true.
24
          Q. Now, the one question that I suggest you
25
     might ask if you were a prospective -- if you were
06011
     designing cigarettes, is -- and we're back to what
1
      it takes to design a cigarette -- is how many
 2
 3
      people -- and I asked you this before, but I never
 4
      got further into it -- how many people who
5
     buy -- Well, first, before I ask this, although you
6
      talked about Premier, you design and sell Winstons
7
      and other brands, right?
8
          A. We develop and design and sell Winston
9
      cigarettes, among other brands.
10
          Q. Do you take responsibility for the
11
      Winstons?
12
          A. What do you mean "responsibility"?
13
          Q. Well, I mean, do you take -- does the
14
      company stand behind the Winston brand?
15
          A. I'm not sure I understand what you mean
      "stand behind." Are we doing everything we can to
16
      ensure quality in the cigarettes, to ensure
17
18
      consistent smoking? What are you talking about?
19
              Well, let me ask you this way: Have you
20
      done everything you could to protect the health of
21
      the people who buy Winston?
22
          A. What we've done --
```

```
Wait. Before you tell me, could you
23
          Ο.
24
      answer that yes or no?
25
         A. I'm sorry. Can you repeat the question?
06012
1
          Q. Have you done everything you could to
2
     protect the health of the people who buy Winston?
3
           A. We've done everything we could and can do
4
      to reduce the risks of smoking in consumer
5
      acceptable products. We're continuing to try to
 6
      push the frontiers back on alternate cigarettes.
7
      We're trying to make very low tar, ultra low-tar
      products more acceptable to the consumer because
8
9
      those products have limited consumer acceptance.
10
      We're trying alternate designs like the Premier,
11
      Eclipse.
12
                One of our competitors has just come out
13
      with in the test market with a battery-powered
      cigarette that doesn't burn but heats the cigarette
14
15
      through --
16
           Q. All right. I'll get into that. But
      let's try and confine the answer to the question.
17
          A. Mr. Wilner, I'm trying to answer your
18
19
      question. You asked me are we doing everything we
20
      can do to protect the health of our smokers.
21
          Q. Winstons. Winstons. Not a
22
      battery-powered cigarette, a Winston.
23
           A. I'm telling you in our product
      development, be it conventional -- and I talked
24
25
      about that and proving the consumer acceptance of
06013
1
     ultra low-tar products -- or be it in new designs,
2
      we're doing everything we know how to do. And
3
      we're making successes.
 4
          Q. Okay. Let's see if you're making
 5
      successes.
               MR. JAMES JOHNSON: Objection,
 6
7
      Your Honor, to the comments and statements by
8
      Counsel. Could we just have questions?
9
               THE COURT: Sustained.
10
           Q. BY MR. WILNER: How many people who
11
      bought and smoked cigarettes in the last 40 years
12
      died prematurely as a result of diseases from the
13
      cigarette?
              I don't know. I'm not an
14
15
      epidemiologist. I don't understand.
16
          Q. Okay. Well, let's, please, get out the
17
      Surgeon General report, and turn to page 148.
18
              Now, remember you testified earlier that
19
      you have to know a little bit about the history to
20
      know about what you're doing now. Remember that?
21
           A. Yes. I testified that as a scientist you
22
      have to go back and understand what other
23
      scientists have done in your area to understand
24
      what kinds of experiments they've conducted, to
25
      learn from their mistakes, also to generate new
06014
1
      ideas for directions to take.
               Okay. So let's take a look at page 148.
 2
      It says: "Estimated risks, relative risks for
 3
 4
      current and former smokers of cigarettes, males
 5
      aged 35 years or more, 6-year, from 1959 to 65,
 6
      followup of American Cancer Society 25-state study,
 7
      CPS-I." Do you see that?
```

A. Yes. I see that. Q. And you're familiar with a CPS-I? 9 10 A. I've seen bits and pieces of CPS-I. I've 11 seen summaries. I'm not an epidemiologist. And I certainly didn't understand most of it. 12 13 Q. Let's see this. It says, "Underlying cause of death: All causes." Current smokers, 14 15 gives a relative risk of 1.80 with an interval -- confidence interval of 1.75 to 1.85. 16 And then for former smokers it's 1.38 with a 17 confidence interval of 1.33 to 1.40. Do you see 18 19 that? 20 Α. Yes. And this is from 1959 to 1965 when this 21 Q. 22 study was done, right? 23 A. Yes. 2.4 Q. Okay. Now, when you say a relative risk 25 of 1.80, does that mean that for every 100 people 06015 1 who were not current smokers or former smokers who died, 180 died in the same period who were current 2 3 smokers? 4 A. That's my interpretation of risk factor. 5 I'm not an epidemiologist. But that's my 6 interpretation. 7 Q. Okay. So if you had a hundred people -- If you had a hundred people who were 8 not -- who were never smokers, and you -- or you 9 just started counting deaths, by the time you got 10 11 to 100 people who have died in the room of the 12 smokers, 180 would have died, and you agree? 13 A. I think that's consistent with my 14 interpretation of risk factor being 1.8. Q. Okay. Now, let's go down and see some of 15 these other risk factors for cigarette. CHD, do 16 17 you know what that is? A. Chronic heart disease. 18 Q. Yeah. Coronary heart disease. And that 19 20 is also elevated right up to 2.25 for ages 35 to 21 64, correct? 22 A. Well, it shows 1.83 for ages greater than 23 35. Then it breaks it out. Page 35 to 64, the risk factor is 2.25. And per the age greater than 24 65, it's 1.39. 25 06016 1 Q. And another way of saying that would be 2 225 percent risk, right? 3 A. Well, again, that would be my 4 interpretation. Q. Okay. And we go down to aortic aneurysm, 5 6 4.11. Do you see that? 411 percent for aortic 7 aneurysm? 8 A. Well, what this says is risk factor is 9 4.11. 10 Q. Okay. And then we come down to 11 bronchitis and emphysema, 8.81, 881 percent. Do 12 you see that? A. The risk factor for bronchitis and 13 emphysema it says is 8.81 from the study. 14 15 Q. And cancer of the lung, 11.35 or 16 1,135 percent? Do you see that? 17 A. What it says is cancer of the lung, the 18 risk factor of 11.35.

19 Okay. Now, and these are for males from Q. 20 the CPS-I study, right? 21 A. (No oral response.) 22 Q. Now, have you gone back and looked to see what happened in the United States between the 23 24 first study, 1959 to 65, and the second study, which was 1982 to 86, to evaluate whether any of 25 06017 1 the new cigarette designs you were putting on the 2 market were helping things? A. No. Again, I haven't because I'm not an 3 epidemiologist because I don't understand this. 4 Q. Okay. 5 I can tell you that the U.S. 6 7 Surgeon General in 1981 said that there has been a 8 significant reduction in lung cancer as a result of 9 the lower tar cigarettes. Q. Well, let --10 11 A. He went on to say --12 Q. Well, I'll ask you all about that. 13 A. Okay. Q. But let's see if we can move this along. 14 15 A. I'm trying to answer your question 16 accurately. I hope you understand. 17 Q. You're quoting the 81, and this is the 18 89, right? 19 A. Yes. Okay. So you're quoting the 81. Have 20 Q. you gone back to look at the 89 to see what's 21 22 happened in the interim? 23 MR. JAMES JOHNSON: Objection; asked and 24 answered already. 25 MR. WILNER: Your Honor, I'll withdraw 06018 it. I just want to move along. 1 Q. BY MR. WILNER: All right. Let's look at 2 page 150. Now, this is the same thing, estimated 3 relative risks for current and former smokers of 4 cigarettes, CPS-II, 1982 to 1986. Do you see 5 6 that? Look up at the top. 7 A. I see it's a four-year study over that 8 period, 82 to 86, as I understand it. Q. So this study could not have been 9 available to the 1981 Surgeon General, right? 10 A. Makes sense to me. 11 12 Q. Okay. So let's take a look and see 13 what's happened between the CPS-I and CPS-II. Now, 14 according to you things should be getting better, 15 right, not worse? 16 A. I think that's a mischaracterization of 17 what I said. What I told you was what I read in 18 the 81 Surgeon General report. 19 Q. And you haven't gone back to read what's 20 come since? 21 A. I'm telling you I'm not an 22 epidemiologist. 23 MR. WILNER: All right. So let's go to 24 all cause mortality. 25 And, Ms. Stieger, could you blow that up, 06019 1 please. Q. BY MR. WILNER: All cause mortality in 3 the CPS-II study is now up to 2.34, 234 percent.

```
4
     Do you see that?
 5
      A. It says the risk ratio of 2.34 for all
 6
     causes.
7
          Q. And the former one in CPS-I was 1.80?
          A. The risk ratio in CPS-I was 1.8.
8
9
          Q. So it's gotten worse?
              That would be my interpretation.
10
          Α.
          Q. All right. Now, let's look at cancer of
11
     the lung. Back in 1959 to 65 it was 11.35 or 1,100
12
13
     percent. Still quite a bit. Would you agree?
14
     Quite a serious risk?
15
          A. This table shows a risk ratio of 11.35
     for CPS-I.
16
17
              And for CPS-II what's it up to?
          Q.
             For CPS-II it says 22.36.
18
          Α.
          Q. It's almost doubled; is that right?
19
20
          A. The risk ratio is about double.
21
          Q. Why?
22
          A. Why?
23
          Q. Yeah.
24
          A. You're asking me? I don't know. I'm not
25
    an epidemiologist. I'm telling you I don't
06020
    understand --
1
2
          Q. Yeah.
3
          A. -- these kind of data.
          Q. And do you -- Is it your opinion that
4
     your product has nothing to do with this?
5
 6
          A. I never said that.
          Q. Okay.
 7
8
              What I've said -- I think I made very
          Α.
9
     clear cigarette smoking may cause or may contribute
10
     to other factors that cause lung cancer.
          Q. Now, based on the -- Let's go back to the
11
      all cause mortality at the top. Thank you.
12
               2.34, a relative risk. Now, I want to
13
     ask you a little bit about that. What does that
14
     mean in terms of the number of people who will die
15
     prematurely using this product? How do you
16
17
     interpret "a relative risk" of 234 percent?
18
          A. I'm not an epidemiologist. I'm not sure
19
     how to interpret that accurately. These were risk
     ratios. I don't understand how to use risk ratios
20
21
     in an accurate fashion.
22
          Q. Well, let's see if we can do it based on
23
     what you said before. If we take -- Let me draw on
24
     this. What this says -- and correct me if I'm
25
     wrong -- is that in the time that we had 100 deaths
06021
1
     in never smokers, we had 234 deaths in current
 2
     smokers. Do you agree with that?
 3
               MR. JAMES JOHNSON: Your Honor, I'm going
4
     to object. He's already stated repeatedly he does
 5
     not know epidemiology as an expert. This is simply
 6
     a vehicle for Counsel's own testimony.
7
               THE COURT: Well, it sounds to me pretty
     close to what's been covered, but I'll give him
8
9
      just a little bit more room on that to see where
10
     he's going.
          Q. BY MR. WILNER: Out of 100 deaths in
11
12
     never smokers there are 234 deaths in smokers thus
13
     say this 2.34. Isn't that what it means?
14
          A. I don't know the accurate interpretation
```

of risk ratios. I've already told you that that 15 16 would be my superficial interpretation of it. 17 Q. Okay. 18 A. I'm not an epidemiologist. 19 Q. Okay. If we have, then, a room with 20 100 never smokers who have died and 234 current smokers -- Now, the question is, if I buy this 21 22 product, how likely am I to die from it? And let 23 me see if we can answer this question from this, 24 based on what you've already told us. Out of the 25 234 people who died who were current smokers, if 06022 100 of them would have died anyway, then we 1 2 subtract the hundred from the 234, giving an excess 3 death of 134, true? 4 Superficially that sounds like it might Α. 5 be right, but I don't know. 6 Q. Okay. 7 A. I don't know whether you can treat risk ratios of this sort in that manner. 8 9 Q. Okay. A. You really need to be asking these 10 11 questions to an epidemiologist. 12 Q. All right. Well, let's see what we get 13 when we treat them in this manner and then compare 14 that to what the literature says. 15 THE COURT: All right. I sustain the 16 objection. BY MR. WILNER: Okay. What I'm asking 17 Q. 18 you, Dr. Townsend, is, is it true that more 19 than -- more than 50 percent, more than half of the 20 people who are regular users of your product will 21 die prematurely from it? 22 A. I don't know. You're asking the wrong witness. I'm not an epidemiologist. I'm not a 23 24 statistician. 25 Q. Let me ask you this: Is there -- If it 06023 1 were true that 80 percent of the people who bought 2 Winstons died prematurely from them, would you pull 3 them off the market? 4 A. If it were clear that cigarette smoking 5 caused cancer and we knew how it caused cancer, if 6 we knew the mechanism, then we would know how to 7 fix the problem. 8 Part of what we've been doing is chasing 9 the various theories in the scientific community, 10 trying to address each and every one of those. 11 We've also looked at reducing the overall tar and 12 nicotine yields because less ought to be better. 13 If it were shown -- If it were shown as 14 you're suggesting, that that product, Winston, 15 resulted in -- was a direct cause in premature 16 death of 80 percent of the people, then we would 17 know how it does it. We would know why it does 18 it. That's exactly what I would like to know. Q. I guess I didn't ask the question very 19 articulately. I'm sorry, Dr. Townsend. Perhaps I 20 21 didn't -- I wasn't very clear. 22 My question was, since you don't know how 23 many people, or if you say you don't know what the

number of people who've used the product, how many

of those will die from it, then let me ask you, as

24

a cigarette designer, if you were told that 80 percent of the people who used it would die from it, what would you do? Anything? I mean, this is a hypothetical question. And, frankly, I don't know what -- You know, I don't know whether to accept that hypothetical question or not. If it were demonstrated -- Not if I were just told it, but if it were proved that

problem.

Because, you know, some smokers are going to continue to smoke. A lot of smokers are quitting. Some will continue. My job is to reduce the risks of smoking, and I want to know why it's a risk. I want to know how to fix it. That's what we've been trying to do.

that product was the direct cause of 80 percent of

its smokers to die prematurely, again, the thing I

would want know is why is that so? and, as a scientist, then to dig through that and fix the

- Q. Do you know what the disease cholera is?
- A. Well, I've heard of it. I certainly don't know details of it.
- $\ensuremath{\mathtt{Q}}.$  Do you know who the physician John Snow was?
- 25 A. No.

- Q. Do you know that there was an epidemic of cholera in London many years before anyone identified the cholera virus, which is called the Vibrio cholerae?
  - A. I'm not aware of that.
- Q. Have you heard in any of your discussions with your fellow scientists or cigarette designers that this scientist John Snow who worked in London, a doctor, found that the clusters of cholera were coming around a particular clump --

THE COURT: Excuse me.

MR. JAMES JOHNSON: Your Honor, he's already said he doesn't know John Snow, doesn't know about the epidemic. This is just a device for Counsel to testify.

THE COURT: Sustained.

- Q. BY MR. WILNER: Well, let me ask you this way, then, Dr. Townsend, do you believe -- is it your testimony that you have to know exactly how a disease is caused before you can take preventative measures?
- A. No. I think that's clearly a misstatement of pretty much everything I've said. It's clear that epidemiology can help scientists in guiding them toward finding out what problems exist

1 and what may be associated with those problems.

Epidemiology, I believe, has had its great successes in the short-term illnesses or other public health problems. It's very difficult to translate epidemiology to chronic diseases.

My understanding -- But I'm not in any way trying to minimize the power or importance of epidemiology. I think in order to fix problems, by and large, you need to know what's causing the problem, and that's where the mechanism comes in.

```
The fact that we don't know the mechanism of how
11
12
      lung cancer develops, whether it's as a result of
13
      smoking or whether it's as a result of high fat
14
      diets, we don't understand the mechanisms. But
      even with the lag of knowing that mechanism, that
15
16
      hasn't prevented us from trying to address those
17
      problems through what I think is common sense.
18
      Less ought to be better.
           Q. You're familiar, I think, as you
19
20
      testified before, with how the medical knowledge
      developed about cigarettes and disease over the
21
22
      years?
23
                I'm generally familiar with how some of
24
      the information has come together. I'm not a
25
      biologist. I'm not a medical scientist. I'm not a
06027
1
     statistician or epidemiologist. But I have in the
2
      course of my cigarette design work gone back and
 3
      looked at some of the historical theories that have
 4
      been developed, why they've been developed and some
      of the things that have been said about those
 5
 6
      theories and ultimately where they led to.
           Q. And one of the first studies that was
 7
8
     done back in the early 1950s was done by a
9
      gentleman named Sir Richard Doll. You've heard
10
      that name, right?
11
           A.
               Of course.
              He instituted -- and his colleagues
12
      instituted in England what later became known as
13
14
      the British Physicians Study. Do you remember
15
      that?
              I've heard of that, but I don't remember
16
          Α.
17
      any details about it.
18
              And they kept accurate records of the
      smoking history and the diseases of British
19
20
      physicians and followed that up for at least
21
      40 years, right?
          A. I'm aware that Dr. Doll -- Sir Richard
22
23
      Doll was an epidemiologist. He did many
24
      epidemiological studies. If you want to know any
25
      of the details about it, again, you're asking the
06028
1
      wrong witness. I'm sorry.
               MR. WILNER: Well, let's see what you do
 2
3
      know.
4
                I would like to hand this to the witness.
5
                THE COURT: All right.
 6
                MR. JAMES JOHNSON: Let's see it.
                THE COURT: You may approach the witness,
7
8
     Mr. Wilner.
9
                MR. WILNER: Thank you, Your Honor.
10
               BY MR. WILNER: Okay. I hand you from an
11
      article entitled "Mortality in Relation to Smoking,
12
      Four Years Observation on Male British Doctors." I
13
      think it's British Medical Journal. BMJ, yes.
14
     British Medical Journal, 1994, by Sir Richard Doll
      and others. Do you recognize this as the
15
16
      culmination of the British Physicians Study and the
17
      most recent paper on it?
18
          A. I don't remember seeing this article.
19
      I'm not an epidemiologist. I don't remember seeing
```

Q. You mentioned Dr. Wynder and said during

22 your direct testimony many times various things 23 Dr. Wynder and Dr. Hoffmann, Dr. Dietrich Hoffmann, had said. Do you remember that? 24 25 A. I remember referring to Professor Wynder 06029 1 and Dr. Hoffmann several times. Q. Has Dr. Doll said about half of all 2 3 regular cigarette smokers will eventually be killed 4 by their habit? THE COURT: All right. Just a minute. 5 MR. JAMES JOHNSON: Your Honor, I, again, 6 7 object to reading from documents that are not in evidence. I also object to at this point trying to 8 use this witness, again, for an epidemiology study 9 when he said repeatedly that he knows very little 10 11 about the subject. THE COURT: Objection sustained in both 12 13 respects. 14 Q. BY MR. WILNER: Dr. Townsend, you still 15 have the 1989 Surgeon General report with you? 16 Sure. Q. As soon as I find mine, I'll ask you a 17 18 question. 19 A. I'll let you look on with me. 20 Q. Okay. I'll do it. 21 Okay. Please turn -- I'm sorry. Please 22 turn to page 94. 23 A. Okay. Table 11, "Likely Causative Agents for 24 25 Tobacco-related Cancers." Are you familiar with 06030 1 this? 2 A. I have seen this chart before. Q. Under organ, lung and larynx, it shows, 3 PAH and NNK and below that polonium-210, minor 4 5 factor, acetaldehyde and formaldehyde. Do you see 6 that? 7 Yes. Α. 8 Q. Under enhancing agents, catechol, 9 cocarcinogen, weakly acidic tumor promoters, 10 acrolein and chromaldehyde (phonetic). Do you see 11 that? I see that. There's a question beside 12 chromaldehyde. But I think these have been the 13 14 center of various theories about cigarette smoking 15 and lung cancer. 16 The PAH as being benzopyrene, which we've 17 talked about. The NNK being tobacco-specific nitrosamine. I think I did mention polonium-210 as 18 another theory that's been addressed. 19 20 The acetaldehyde, formaldehyde, acrolein, 21 chromaldehyde are all part of the ciliastasis 22 theory. Catechol of course is the phenol promoter 23 theory, which is one I talked about as well. 24 Q. Well, I'm going to ask you about each one 25 of those. But I think in your direct testimony 06031 1 weren't you saying something like the outside 2 doctors kept coming up with these theories, and 3 then we would respond to it? Wasn't that kind of 4 what your testimony was? 5 A. I think most of these theories were 6 developed by the medical and public health

community. I think we did very directly respond to these theories as the medical and public health community developed these various theories. These theories pretty much, as far as I'm aware, all of these theories had a chemical basis in their nature which then led us, as chemists and cigarette designers, to try to figure out how to address those theories.

- Q. Well, I'll get to the theories in a minute. But doesn't -- isn't Reynolds in a better position to know what's in its cigarettes than anybody else?
- A. We're in a better position to know what's in our cigarettes. And, in fact, what we've done, that Reynolds has identified somewhere in the neighborhood of half of the 4,800 constituents that are known in tobacco smoke. My competitors have pretty much identified over half. A few academic scientists outside the industry have identified

1 some.

But, yes, we know probably more about tobacco smoke and its nature than many other organizations. But we published the work and -- published the work and interact with scientists like Wynder and Hoffmann, for example, who do their own chemistry.

- Q. And so why was Reynolds waiting for people on the outside to come up with theories? Why didn't Reynolds come up with the theories?
- A. Because the outside medical and public health community was, in fact, the scientists who were trying to develop these biological medical-based theories about why cigarette smoking was --
  - Q. Well, why wasn't Reynolds doing that?
- A. We've considered -- We've considered some theories on our own. But they're not in the mainstream of biology. We don't -- We're not at the forefront of medical research. We contract research. We conduct some internal research ourselves. We do comparative biology. But we do look to the scientific community, including the medical community and the public health community, for a variety of theories.

- Q. So if it didn't -- If someone else didn't go to Reynolds and say, "Oh, by the way, this agent in your cigarettes may be killing people," you would just sit there --
  - A. No. That's --
  - Q. -- because it wasn't raised.
- A. That's absolutely incorrect. We don't just sit there. And if nobody came up with theories, we wouldn't still sit there because we would still take the approach, which is still common sense, that less ought to be better. We would still be trying to find out what's in cigarette smoke. We would still be trying to reduce the yields of tar and nicotine, and we would still be, I'm convinced, trying to develop new cigarette designs.
  - Q. Well, let's look at page 86 of the 1989

report. And this says tumorigenic agents in 18 19 tobacco and tobacco smoke. Begins with the PAHs, 20 which are the polycyclic aromatic hydrocarbons, 21 22 Α. That's right. 23 Q. Now, when you say this was a theory, were 24 you meaning that the theory was restricted to benzoapyrene, one of these? Or are you calling all 25 06034 1 of the polyaromatic hydrocarbons just a theory? 2 A. Well, I don't know. I don't know what 3 you're trying to suggest by that. But let me tell you -- Let me tell you what the right answer is. 4 In looking at benzopyrene we've considered that as 5 6 one because it's present in the highest 7 concentrations. We've considered that's only one 8 of the polycyclic aromatic hydrocarbons. It's a 9 marker, if you will. 10 And, yes, benzopyrene has been considered 11 very important in this theory because it was the 12 one that was thought to be a probable -- If you'll 13 notice here on the right-hand side of the chart that you put up, a probable human carcinogen as 14 15 determined by IARC, the International Agency for 16 Research on Cancer. 17 But to say that we've looked at reducing 18 benzopyrene is incomplete only because benzopyrene 19 is a marker, and these other PAHs, polycyclic aromatic hydrocarbons, go with benzopyrene. If you 20 21 reduce benzopyrene, you reduce them pretty much all 22 to the same degree. 23 Q. All right. So you were -- In 1966 were 24 you a chemistry student? 25 A. That's going way back. Actually I was in 06035 college in 1966, yes. 1 2 Q. You were in college in 66? 3 Α. Yes. 4 Q. All right. And you became -- You were 5 studying chemistry? A. Yes. I was taking chemistry classes in 6 7 1966. I think I was a math major at the time but ultimately became a chemistry major. 8 Q. Well, let me hand you this book on 9 10 organic chemistry from 1966 and see if you know 11 what it is. 12 A. I can tell you exactly what it is from 13 here. 14 Q. Good. 15 MR. WILNER: May I hand the witness the 16 book? 17 THE COURT: All right. 18 Q. BY MR. WILNER: Have a look. 19 A. What specifically do you want me to look 20 21 Well, first, just look at the book. And 22 I'll have to get it back to read it because I only have one copy. Do you recognize that as a 23 chemistry text, circa 1966? 24 25 A. Sure. 06036 1 Something you might have had some contact Ο. 2 with?

```
3
          A. Well, I had a copy of this exactly in
 4
      1966. I was taking a chemistry course that used
 5
      this, as I recall.
 6
          Q.
              Okay. Thanks.
 7
               Now, when did Reynolds publicly admit
8
      that there were carcinogens in its product?
           A. Well, R.J. Reynolds started pulling
9
10
      together very intense research and development
      effort in the early 50s. We identified benzopyrene
11
12
     by -- as present in cigarette smoke by a number of
13
     different techniques or a number of different
14
     endpoint determinations. Other people had
15
     suspected it. We talked yesterday about the
16
     Reader's Digest article where benzopyrene was
17
      suspected.
18
               Other scientists had also identified
19
     benzopyrene with --
20
               THE COURT: I think this is probably a
21
      good point to break. And I will probably, when we
22
      come back tomorrow, urge a little bit more brevity
23
      as we move toward the conclusion in terms of the
24
      responses.
25
               All right. Sheriff, let's adjourn until
06037
1
      tomorrow morning at 10:00.
2
       (Whereupon, the evening recess ensued at
3
      4:32 p.m.)
4
 5
 6
 7
 8
 9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
06038
1
               COURT REPORTER'S CERTIFICATE
 2
      STATE OF TENNESSEE:
 3
     COUNTY OF SHELBY:
 4
           I, LORI-ANN MASON, RPR, do hereby certify:
 5
           1. The foregoing transcript of proceedings
 6
     was taken before me at the time and place stated in
 7
     the foregoing styled cause with the appearances as
 8
     noted;
 9
           2. Being a Court Reporter, I then reported
10
     the transcript of proceedings in Stenotype to the
11
     best of my skill and ability, and the foregoing
12
     pages contain a full, true and correct transcript
13
     of my said Stenotype notes then and there taken;
```

```
14
         3. I am not in the employ of and am not
    related to any of the parties or their counsel, and
15
     I have no interest in the matter involved.
16
17
18
19
                      Lori-Ann Mason, RPR
20
                      Notary Public at Large
                      State of Tennessee
21
22
     My commission expires:
23
     August 29, 2001
24
25
06039
1
                  INDEX OF PROCEEDINGS
2
3
                     March 24, 1999
 4
                   (Afternoon Session)
 5
 6
 7
8
    WITNESS:
                                            PAGE
9
    DAVID TOWNSEND
10
11
    CROSS-EXAMINATION
12
    BY MR. WILNER..... 5944
13
14
15
16
17
18
19
20
21
22
23
24
25
06040
1
 2
                    EXHIBITS
 3
 4
5
    EXHIBIT NUMBER
                                            PAGE
 6
    Exhibit Number 263 was marked for
7
    Exhibit Number 264 was marked for
8
9
     identification..... 6000
10
11
12
13
14
15
16
17
18
19
20
21
22
```